

Black Hills Power
Income Statement GAAP-to-FERC Reconciliation

Legend:

GAAP Income Statement Caption

FERC Form 1 Income Statement Caption

in 000's

Year ended December 31, 2025					
GAAP Income Statement	Reconciliation to FERC Form 1 details			FERC Vs. GAAP Variance	Comments on variances
(A)		(B)	(B) - (A)		
Revenue	\$ 348,826	Revenue	(a)= \$ 352,909	\$ 4,083	(1) Rounding
		Operating Revenues (400)	(a) 348,471		4,024 GAAP nets certain wholesale contracts reducing both Revenue and Fuel & purchased power. FERC Operating Revenues (400) and Operations Expenses (401) are presented gross.
		Revenues From Merchandising, Jobbing, and Contract Work (415)	(a) 2,201		60 Transmission revenue reserve netted against revenue for GAAP but presented as non-operating expense for FERC
		Revenues From Nonutility Operations (417)	(a) 2,237		
Operating expenses:		Operating expenses:			
Fuel & purchased power	109,224	Fuel & purchased power	-	(109,224)	Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC.
					109,224 of Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC.
					4,024 of Revenue (variance above) includes netting of certain wholesale contracts reducing both Revenue and Fuel & purchased power for GAAP reporting. FERC amounts are presented gross.
					(2,259) of Taxes - Property (variance below) is recorded in O&M for GAAP.
					305 of bank fees classified as Operating expenses for FERC and Non-operating interest expense for GAAP
					748 of non-service pension costs classified as O&M for FERC and as Non-operating expense for GAAP
					(623) of amortization of cloud computing arrangements (CCAs) classified as depreciation for FERC and as general operating expenses for GAAP
Operations & maintenance	95,898	Operations & maintenance	(b)= 206,452	110,554	(865) of Integrated Resource Plan expenses classified as Non-operating expense for FERC and as O&M for GAAP
		Operations Expenses (401)	(b) 180,219		
		Maintenance Expenses (402)	(b) 25,156		
		(Less) Costs & Exp. of Merchandising, Job. & Contract Work (416)	(b) 1,520		
		(Less) Expenses of Nonutility Operations (417.1)	(b) 185		
		Gain on Disposition of Property (421.1)	(b) (1,167)		
		Donations (426.1)	(b) 279		
		Exp. For Certain Civic, Political & Related Activities (426.4)	(b) 260		
					399 of non-service pension costs classified as depreciation for FERC and as other Non-operating expense for GAAP
Depreciation & amortization	51,460	Depreciation and amortization	(c)= 52,483	1,023	623 of amortization of cloud computing arrangements (CCAs) classified as depreciation for FERC and as O&M for GAAP
		Depreciation Expense (403)	(c) 51,704		1 Rounding
		Depreciation Expense for Asset Retirement Costs (403.1)	(c) 31		
		Amort. & Depl. Of Utility Plant (404-405)	(c) 623		
		Amort. Of Utility Plant Acq. Adj. (406)	(c) 96		
		Accretion Expense (411.10)	(c) 29		
Taxes - Property	7,947	Taxes - Property	(d)= 10,206	2,259	2,226 FERC reporting includes sales and use taxes which are included in O&M for GAAP
		Taxes Other Than Income Taxes (408.1)	(d) 10,173		33 of non-Utility TOIT for FERC classified as "above the line" Property Taxes for GAAP
		Taxes Other Than Income Taxes (408.2)	(d) 33		
Total operating expenses	264,529	Total operating expenses	269,141	4,612	
Operating income	84,297	Operating income	83,768	(529)	
Other income (expense):		Other income (expense):			
Interest Expense	(32,199)	Interest Expense	(e)= (34,347)	(2,148)	305 of bank fees classified as O&M for FERC and Non-operating interest expense for GAAP
					(2,453) GAAP Interest Expense line includes AFUDC borrowed

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		Year ended December 31, 2025					
GAAP Income Statement		Reconciliation to FERC Form 1 details		FERC Vs. GAAP Variance		Comments on variances	
		Interest on Long-Term Debt (427)	(e) (20,213)				
		Amort. Of Debt Disc. And Expense (428)	(e) (201)				
		Amortization of Loss on Reacquired Debt (428.1)	(e) -				
		Interest on Debt to Assoc. Companies (430)	(e) (13,922)				
		Other Interest Expense (431)	(e) (11)				
AFUDC borrowed	-	AFUDC borrowed	(f)= 2,453	2,453			GAAP Interest Expense line includes AFUDC borrowed
		Less AFUDC-Cr. (432)	(f) 2,453				
Interest income	2,006	Interest income	(g)= 2,006	-			
		Interest and Dividend Income (419)	(g) 2,006				
						(865)	of Integrated Resource Plan expenses classified as Non-operating expense for FERC and as O&M for GAAP
						748	of non-service pension costs classified as Operations expense for FERC and as Non-operating expense for GAAP
						399	of non-service pension costs classified as Depreciation for FERC and as Other Non-operating expense for GAAP
						(60)	Transmission revenue reserve netted against revenue for GAAP but presented as Non-operating expense for FERC
Other income (expense), net	2,700	Other income (expense), net	(h)= 2,924	224		2	Rounding
		Allowance for Other Funds Used During Construction (419.1)	(h) 4,129				
		Miscellaneous Nonoperating Income (421)	(h) 122				
		Penalties (426.3)	(h) -				
		Other Deductions (426.5)	(h) (1,327)				
Total other income (expense)	(27,493)	Total other income (expense)	(26,964)	529			
Income before income taxes	56,804	Income before income taxes	56,804	-			
Income tax expense	(2,119)	Income tax expense	(i)= (2,119)	-			
		Income Taxes - Federal (409.1)	(i) 1,070				
		- Other (409.1)	(i) (114)				
		Provision for Deferred Income Taxes (410.1)	(i) (15,783)				
		(Less) Provision for Deferred Income Taxes-Cr (411.1)	(i) 12,899				
		Income Taxes - Federal (409.2)	(i) (191)				
Net income	\$ 54,685	Net income	\$ 54,685	\$ -			

FERC Form 1 Net Income \$ 54,685
Variance -

Black Hills Power
Balance Sheet GAAP-to-FERC Reconciliation

Legend:

GAAP Balance Sheet Caption
 FER Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2025					
GAAP Balance Sheet		Reconciliation to FER Form 1 details		FERC Vs. GAAP Variance	Comments on variances
(A)		(B)		(B) - (A)	
Current assets:					
Cash	\$ 744	Cash (a)=	\$ 744	\$ -	
		Cash (131) (a)	744		
		Working Fund (135) (a)	-		
Accounts receivable, net	30,714	Accounts receivable, net (b)=	30,714	-	
		Customer Accounts Receivable (142) (b)	15,532		
		Other Accounts Receivable (143) (b)	1,860		
		(Less) Accum. Prov. For Uncollectible Acct.-Credit (144) (b)	(114)		
		Accrued Utility Revenues (173) (b)	13,436		
Money pool notes receivable, net	-	Notes receivables from associated companies (c)=	-	-	
		Notes Receivable from Associated Companies (145) (c)	-		
Accounts receivable from affiliates	11,278	Accounts receivable from affiliates (c)=	11,279	1	1 Rounding
		Accounts Receivable from Assoc. Companies (146) (c)	11,279		
Materials, supplies, and fuel	43,996	Materials, supplies, and fuel (d)=	43,996	-	
		Fuel Stock (151) (d)	5,958		
		Plant Materials and Operating Supplies (154) (d)	35,661		
		Stores Expense Undistributed (163) (d)	2,377		
		Miscellaneous Current and Accrued Assets (174) (d)	-		
Regulatory assets, current	37,955	Regulatory assets, current	-	(37,955)	FERC does not make short-term/long-term distinction for Regulatory assets, see total reported below as part of Regulatory Assets, non-current
Other current assets	10,186	Other current assets (e)=	10,186	-	
		Prepayments (165) (e)	4,631		
		Derivative Instrument Assets (175) (e)	-		
		Clearing Accounts (184) (e)	1,545		
		Other investments (124) (f)	1,151		
		Other Special Funds (128) (f)	2,859		
Total Current Assets	134,873	Total Current Assets	96,919	(37,954)	
					(1) Rounding
				16,643	of operating lease right-of-use assets included in Utility Plant (101) for FER, but within Other, non-current assets for GAAP
				1,212	of Cloud computing arrangements (CCA) costs included in CWIP (107) for FER, but within Other, non-current assets for GAAP
				82	Off CCA included in Utility Plant (101) for FER, but within Other, non-current assets for GAAP
				151	of capital lease assets included in Utility Plant (101) for FER but within Other, non-current assets for GAAP
				5,394	of Service Company CCA allocations included in Utility Plant (101) for FER, but within Other, non-current assets for GAAP
				4,551	GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FER, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation
Property, plant & equipment	2,021,907	Property, plant & equipment (g)=	2,050,980	29,073	1,041 GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FER vs. Regulatory asset (and Non-operating expense) for GAAP
		Utility Plant (101-106, 114) (g)	1,875,661		
		Construction Work in Progress (107) (g)	175,319		
				1	Rounding
				(66,305)	of removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FER
				(4,551)	GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FER, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation
				(10)	of capital lease asset amortization included in Accumulated Depreciation (108) for FER, but within Other, non-current assets for GAAP
				(3)	of Salvage Accumulated Depreciation included in Accumulated Depreciation (108) for FER, but within Other, non-current assets for GAAP
				(3,932)	of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FER but within Other, non-current assets for GAAP
				(1,527)	of Service Company CCA allocations included in Accumulated Depreciation (108) for FER, but within Other, non-current assets for GAAP
Less accumulated depreciation and amortization	(500,089)	Less accumulated depreciation and amortization (h)=	(578,246)	(78,157)	(1,830) GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FER vs. Regulatory asset (and Non-operating expense) for GAAP
		Less Accum. Prov. For Depr. (108, 110, 111, 115) (h)	(578,246)		
Total property, plant and equipment, net	1,521,818	Total property, plant and equipment, net	1,472,734	(49,084)	
		Net Utility Plant	1,472,734		

Black Hills Power
Balance Sheet GAAP-to-FERC Reconciliation

Legend:

GAAP Balance Sheet Caption
 FER Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2025					FERC Vs. GAAP Variance	Comments on variances
GAAP Balance Sheet	Reconciliation to FER Form 1 details					
Other assets:						
					37,955	
Regulatory assets, non-current	64,758	Regulatory assets, non-current	(i)=	103,501	38,743	of Regulatory assets are classified as current assets for GAAP but for FERC does not make distinction between current/non-current
		Other Regulatory Assets (182.3)	(i)	103,501		GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FERC vs. Regulatory asset (and Non-operating expense) for GAAP
		Unamortized Loss on Reaquired Debt (189)	(i)	-	(1)	Rounding
					1	Rounding
					(16,643)	of operating lease right-of-use assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP
					(151)	of capital lease assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP
					(5,394)	of Service Company CCA allocations included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
					(1,212)	of CCA included in CWIP (107) for FERC, but within Other, non-current assets for GAAP
					(82)	Off CCA included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
					3,932	of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
					10	of capital lease asset amortization included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
					3	of Salvage Accumulated Depreciation included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
Other, non-current assets	24,267	Other, non-current assets	(j)=	6,227	(18,040)	of Service Company CCA allocations included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
		Other Preliminary Survey and Investigation Charges (183.2)	(j)	530		
		Miscellaneous Deferred Debits (186)	(i)	5,697		
Total other assets, non-current	89,025	Total other assets, non-current		109,728	20,703	
TOTAL ASSETS	\$ 1,745,716	TOTAL ASSETS		\$ 1,679,381	\$ (66,335)	
Current liabilities:						
Accounts payable	\$ 46,866	Accounts payable	(k)=	47,095	\$ 229	229 of benefits and tax withholdings included in Accounts payable for FERC, but within Accrued liabilities for GAAP
		Accounts Payable (232)	(k)	46,035		
		Tax Collections Payable (241)	(k)	1,060		
Accounts payable to affiliates	41,250	Accounts payable to affiliates	(l)=	41,249	(1)	(1) Rounding
		Accounts Payable to Associated Companies (234)	(l)	41,249		
					(2,230)	of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
Accrued liabilities	29,965	Accrued liabilities	(m)=	26,444	(3,521)	(1,062) of benefits and tax withholdings included in Accounts payable for FERC, but within Accrued liabilities for GAAP
		Customer Deposits (235)	(m)	2,400		
		Taxes Accrued (236)	(m)	12,312		
		Interest Accrued (237)	(m)	4,727		
		Miscellaneous Current and Accrued Liabilities (242)	(m)	6,652		
		Obligations Under Capital Leases-Current (243)	(m)	353		
		Derivative Instrument Liabilities (244)	(m)	-		
Money pool notes payable	40,740	Money pool notes payable	(n)=	-	(40,740)	(40,740) of intercompany Notes Payable to Parent for FERC vs. Accrued liabilities for GAAP
		Notes Payable to Associated Companies (233)	(n)	41,802		
Notes payable to Parent	-	Notes payable to Parent		41,802	41,802	1,062 of intercompany interest classified as Notes payable to Parent for FERC vs. Accrued liabilities for GAAP
Regulatory liabilities, current	-	Regulatory liabilities, current	(o)=	-	-	40,740 of intercompany Notes Payable to Parent for FERC vs. Accrued liabilities for GAAP
		Accumulates Provision for Rate Refunds (229)	(o)	-		
Total current liabilities	158,821	Total current liabilities		156,590	(2,231)	
Long term debt	338,224	Long term debt	(p)=	586,674	248,450	Notes payable to Parent, non-current classified as Long-term debt for FERC vs separate non-current liability line item for GAAP
		Bonds (221)	(p)	340,000		
		Advances from Associated Companies (223)	(y)	248,450		
		Other Ling-Term Debt (224)	(p)	-		

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Balance Sheet GAAP-to-FERC Reconciliation

Legend:

GAAP Balance Sheet Caption
 FER Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2025						
GAAP Balance Sheet		Reconciliation to FER Form 1 details		FERC Vs. GAAP Variance	Comments on variances	
		(Less) Unamortized Discounts (226)	(p)	(57)		
		Unamortized Debt Expenses (181)	(p)	(1,719)		
Deferred credits and other liabilities:						
Notes payable to Parent, non-current	248,450	Notes payable to Parent, non-current		-	(248,450)	Notes payable to Parent, non-current classified as Long-term debt for FER vs separate non-current liability line item for GAAP
Deferred income tax liabilities, net	148,501	Deferred income tax liabilities, net	(q)=	148,501	-	
		Accum. Deferred Income Taxes-Other Property (282)	(q)	170,305		
		Accum. Deferred Income Taxes-Other (283)	(q)	23,897		
		Accumulated Deferred Income Taxes (190)	(q)	(45,701)		
Regulatory liabilities, non-current	157,061	Regulatory liabilities, non-current	(r)=	90,757	(66,304)	(66,304) of removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FER
		Other Regulatory Liabilities (254)	(r)	90,757		
Benefit plan liabilities	9,537	Benefit plan liabilities	(s)=	9,537	-	
		Accumulated Provision for Pensions and Benefits (228.3)	(s)	9,537		
						1 Rounding
Other, non-current liabilities	21,162	Other, non-current liabilities	(t)=	23,363	2,201	2,200 of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FER vs. Accrued liabilities for GAAP
		Obligations Under Capital Leases - Noncurrent (227)	(t)	12,459		
		Accumulates Provision for Injuries and Damages (228.2)	(t)	406		
		Asset Retirement Obligations (230)	(t)	885		
		Customer Advances for Construction (252)	(t)	8,487		
		Other Deferred Credits (253)	(t)	1,126		
Total deferred credits and other liabilities	584,711	Total deferred credits and other liabilities		272,158	(312,553)	
Stockholder's equity:						
Common Stock	23,416	Common Stock	(u)=	23,416	-	
		Common Stock Issued (201)	(u)	23,416		
Additional paid-in-capital	54,575	Additional paid-in-capital	(v)=	54,575	-	
		Premium on Capital Stock (207)	(v)	42,077		
		Additional paid-in-capital-Adjustment (211)	(v)	15,000		
		Less Capital Stock Expense (214)	(v)	(2,502)		
Retained earnings	586,627	Retained Earnings	(w)=	586,627	-	
		Retained Earnings (216)	(w)	586,627		
Accumulated other comprehensive (loss)	(659)	Accumulated Other comprehensive income	(x)=	(659)	-	
		Accumulated Other comprehensive income (219)	(x)	(659)		
Total stockholder's equity	663,959	Total stockholder's equity		663,959	-	
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,745,715	TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		\$ 1,679,381	\$ (66,334)	

Total Assets and Total Liabilities + Stockholder Equity as reported on FER Form 1	1,726,801
Variance - FER Form 1 vs Total Assets and Total Liabilities and Equity above	47,420
Unamortized Debt Expenses (181)	(1,719)
Accumulated Deferred Income Taxes (190)	(45,701)
Remaining Variance	-

Presented net within Long-term debt for GAAP reporting vs gross asset for FER reporting
 Presented net within Deferred tax liabilities for GAAP reporting vs gross asset for FER reporting